

CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 329

Citations Affected: IC 4-31-6-11; IC 4-33-8.5-3; IC 6-8.1-9.5-10; IC 9-25-6-20; IC 14-11-3-4; IC 25-1-1.2-8; IC 27-1-15.6-29; IC 27-10-3-20; IC 31-9-2; IC 31-14-12; IC 31-16; IC 31-25-3-3; IC 31-25-4; IC 33-37-5-6; IC 34-30-2-133.2.

Synopsis: Child support. Conference committee report for ESB 329. Requires: (1) a court that orders, modifies, or enforces a child support order in a Title IV-D case to issue an immediate income withholding of an obligor's income; and (2) the bureau of child support to prescribe standard income withholding order and notice forms. Establishes: (1) requirements for implementation of an income withholding order; (2) amounts to be withheld under certain income withholding orders; (3) notice requirements concerning income withholding orders; and (4) income withholding requirements for income payors. Provides that: (1) a court may stay implementation of an income withholding order if certain requirements are met; (2) if a court does not issue an income withholding order, a Title IV-D agency may issue an income withholding order; (3) a Title IV-D agency may lift a stay of implementation of an income withholding order if certain conditions are met; (4) an obligor or obligee may file a petition to lift a stay; (5) an income payor who fails to comply with an income withholding order is liable under certain circumstances; and (6) a Title IV-D agency or its agent is not subject to civil liability for income withheld and paid in accordance with an income withholding order. Provides that an income payor that discharges from employment, refuses to employ, takes disciplinary action, or otherwise discriminates against an obligor because of an income withholding order is subject to a penalty not to exceed \$5,000. Requires a: (1) Title IV-D agency that collects at least \$500 of child support for an individual who has never received Title IV-A assistance to charge an annual fee, which must be collected from child support payments, the parent who owes child support, or state funds appropriated for the purpose of paying the fee; and (2) child support order to include an order for medical support to be provided by either or both parents. Changes the annual child support fee from \$30 to \$55. Permits a Title IV-D agency to increase the weekly amount withheld from an obligor subject to an income withholding order who is in arrears. Repeals and replaces provisions concerning the issuance and activation of income withholding orders. Prohibits a fee from being charged to a custodial parent for seeking an offset of a federal or state income tax refund for past due child support payments. **(This conference committee report: (1) removes provisions concerning the Uniform Child Custody Jurisdiction Act and**

service of process fees; and (2) adds a provision that prohibits a fee from being charged to a custodial parent for seeking an offset of a federal or state income tax refund for past due child support payments.)

Effective: July 1, 2007; January 1, 2008.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 329 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 family law and juvenile law.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 4-31-6-11, AS AMENDED BY P.L.145-2006,
- 6 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JULY 1, 2007]: Sec. 11. (a) Upon receiving an order from the bureau
- 8 (Title IV-D agency) under IC 31-25-4-32(h), the commission shall send
- 9 to the person who is the subject of the order a notice that does the
- 10 following:
- 11 (1) States that the person is delinquent and is subject to an order
- 12 placing the person on probationary status.
- 13 (2) Explains that unless the person contacts the bureau and:
- 14 (A) pays the person's child support arrearage in full;
- 15 (B) ~~requests the activation of an income withholding order~~
- 16 ~~under IC 31-16-15-2 and~~ establishes a payment plan with the
- 17 bureau to pay the arrearage, **which must include an income**
- 18 **withholding order under IC 31-16-15-2 or IC 31-16-15-2.5;**
- 19 or
- 20 (C) requests a hearing under IC 31-25-4-33;
- 21 within twenty (20) days after the date the notice is mailed, the
- 22 commission shall place the person on probationary status with

respect to any license issued to the person under this chapter.

(3) Explains that the person may contest the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status by making written application to the bureau within twenty (20) days after the date the notice is mailed.

(4) Explains that the only basis for contesting the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status is a mistake of fact.

(5) Explains the procedures to:

(A) pay the person's child support arrearage in full;

(B) establish a payment plan with the bureau to pay the arrearage, **which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5; and**

~~(C) request the activation of an income withholding order under IC 31-16-15-2; and~~

~~(D)~~ (C) request a hearing under IC 31-25-4-33.

(6) Explains that the probation will terminate ten (10) business days after the commission receives a notice from the bureau that the person has:

(A) paid the person's child support arrearage in full; or

(B) established a payment plan with the bureau to pay the arrearage, **and requested the activation of which includes an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5.**

(b) Upon receiving an order from the bureau (Title IV-D agency) under IC 31-25-4-34(c), the commission shall send to the person who is the subject of the order a notice that states the following:

(1) That a license issued to the person under this chapter has been placed on probationary status, beginning five (5) business days after the date the notice is mailed, and that the probation will terminate ten (10) business days after the commission receives a notice from the bureau that the person has:

(A) paid the person's child support arrearage in full; or

(B) established a payment plan with the bureau to pay the arrearage, **and requested the activation of which includes an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5.**

(2) That if the commission is advised by the bureau that the person whose license has been placed on probationary status has failed to:

(A) pay the person's child support arrearage in full; or

(B) establish a payment plan with the bureau to pay the arrearage, **and request the activation of which includes an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5;**

within twenty (20) days after the date the notice is mailed, the commission shall suspend the person's license.

(c) If a person whose license has been placed on probationary status fails to:

(1) pay the person's child support arrearage in full; or

(2) establish a payment plan with the bureau to pay the arrearage, ~~and request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5;** within twenty (20) days after the notice required under subsection (b) is mailed, the commission shall suspend the person's license.

(d) The commission may not reinstate a license placed on probation or suspended under this section until the commission receives a notice from the bureau that the person has:

- (1) paid the person's child support arrearage in full; or
- (2) established a payment plan with the bureau to pay the arrearage, ~~and requested the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5.**

SECTION 2. IC 4-33-8.5-3, AS AMENDED BY P.L.145-2006, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 3. (a) Upon receiving an order from the bureau (Title IV-D agency) under IC 31-25-4-32(h), the commission shall send to the person who is the subject of the order a notice that does the following:

(1) States that the person is delinquent and is subject to an order placing the person on probationary status.

(2) Explains that unless the person contacts the bureau and:

(A) pays the person's child support arrearage in full;

(B) ~~requests the activation of an income withholding order under IC 31-16-15-2 and~~ establishes a payment plan with the bureau to pay the arrearage, **which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5;** or

(C) requests a hearing under IC 31-25-4-33;

within twenty (20) days after the date the notice is mailed, the commission shall place the person on probationary status with respect to any license issued to the person under this chapter.

(3) Explains that the person may contest the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status by making written application to the bureau within twenty (20) days after the date the notice is mailed.

(4) Explains that the only basis for contesting the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status is a mistake of fact.

(5) Explains the procedures to:

(A) pay the person's child support arrearage in full;

(B) establish a payment plan with the bureau to pay the arrearage, **which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5; and**

~~(C) request the activation of an income withholding order under IC 31-16-15-2; and~~

~~(D)~~ (C) request a hearing under IC 31-25-4-33.

(6) Explains that the probation will terminate ten (10) business days after the commission receives a notice from the bureau that the person has:

(A) paid the person's child support arrearage in full; or
 (B) established a payment plan with the bureau to pay the arrearage, ~~and requested the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5.**

(b) Upon receiving an order from the bureau (Title IV-D agency) under IC 31-25-4-34(c), the commission shall send to the person who is the subject of the order a notice that states the following:

(1) That a license issued to the person under this article has been placed on probationary status, beginning five (5) business days after the date the notice is mailed, and that the probation will terminate ten (10) business days after the commission receives a notice from the bureau that the person has:

(A) paid the person's child support arrearage in full; or
 (B) established a payment plan with the bureau to pay the arrearage, ~~and requested the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5.**

(2) That if the commission is advised by the bureau that the person whose license has been placed on probationary status has failed to:

(A) pay the person's child support arrearage in full; or
 (B) establish a payment plan with the bureau to pay the arrearage, ~~and request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5;**

within twenty (20) days after the date the notice is mailed, the commission shall suspend the person's license.

(c) If a person whose license has been placed on probationary status fails to:

(1) pay the person's child support arrearage in full; or
 (2) establish a payment plan with the bureau to pay the arrearage, ~~and request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5;**

within twenty (20) days after the notice required under subsection (b) is mailed, the commission shall suspend the person's license.

(d) The commission may not reinstate a license placed on probation or suspended under this section until the commission receives a notice from the bureau that the person has:

(1) paid the person's child support arrearage in full; or
 (2) established a payment plan with the bureau to pay the arrearage, ~~and requested the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5.**

SECTION 3. IC 6-8.1-9-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 14. (a) **Except as provided in subsection (n),** the department shall establish, administer, and make available a centralized debt collection program for use by state agencies to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by state agencies. The department's collection facilities shall be available for

1 use by other state agencies only when resources are available to the
2 department.

3 (b) The commissioner shall prescribe the appropriate form and
4 manner in which collection information is to be submitted to the
5 department.

6 (c) The debt must be delinquent and not subject to litigation, claim,
7 appeal, or review under the appropriate remedies of a state agency.

8 (d) The department has the authority to collect for the state or
9 claimant agency (as defined in IC 6-8.1-9.5-1) delinquent accounts,
10 charges, fees, loans, taxes, or other indebtedness due the state or
11 claimant agency that has a formal agreement with the department for
12 central debt collection.

13 (e) The formal agreement must provide that the information
14 provided to the department be sufficient to establish the obligation in
15 court and to render the agreement as a legal judgment on behalf of the
16 state. After transferring a file for collection to the department for
17 collection, the claimant agency shall terminate all collection procedures
18 and be available to provide assistance to the department. Upon receipt
19 of a file for collection, the department shall comply with all applicable
20 state and federal laws governing collection of the debt.

21 (f) The department may use a claimant agency's statutory authority
22 to collect the claimant agency's delinquent accounts, charges, fees,
23 loans, taxes, or other indebtedness owed to the claimant agency.

24 (g) The department's right to credit against taxes due may not be
25 impaired by any right granted the department or other state agency
26 under this section.

27 (h) The department of state revenue may charge the claimant agency
28 a fee not to exceed fifteen percent (15%) of any funds the department
29 collects for a claimant agency. Notwithstanding any law concerning
30 delinquent accounts, charges, fees, loans, taxes, or other indebtedness,
31 the fifteen percent (15%) fee shall be added to the amount due to the
32 state or claimant agency when the collection is made.

33 (i) Fees collected under subsection (h) shall be retained by the
34 department after the debt is collected for the claimant agency and are
35 appropriated to the department for use by the department in
36 administering this section.

37 (j) The department shall transfer any funds collected from a debtor
38 to the claimant agency within thirty (30) days after the end of the
39 month in which the funds were collected.

40 (k) When a claimant agency requests collection by the department,
41 the claimant agency shall provide the department with:

- 42 (1) the full name;
- 43 (2) the Social Security number or federal identification number,
44 or both;
- 45 (3) the last known mailing address; and
- 46 (4) additional information that the department may request;
47 concerning the debtor.

48 (l) The department shall establish a minimum amount that the
49 department will attempt to collect for the claimant agency.

50 (m) The commissioner shall report, not later than March 1 for the
51 previous calendar year, to the governor, the budget director, and the

legislative council concerning the implementation of the centralized debt collection program, the number of debts, the dollar amounts of debts collected, and an estimate of the future costs and benefits that may be associated with the collection program. A report to the legislative council under this subsection must be in an electronic format under IC 5-14-6.

(n) The department may not assess a fee to a state agency or a custodial parent for seeking a setoff to a state or federal income tax refund for past due child support.

SECTION 4. IC 6-8.1-9.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 10. The department of revenue may charge the claimant agency a fee of fifteen percent (15%) of any funds it sets off under this chapter as a collection fee for its services. The department must bill the claimant agency in order to collect this fee. **However, the department may not assess a fee to a state agency or custodial parent for seeking a setoff to a state or federal income tax refund for past due child support.**

SECTION 5. IC 9-25-6-20, AS AMENDED BY P.L.145-2006, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) If the bureau is advised by the Title IV-D agency that the obligor (as defined in IC 31-25-4-4) either requested a hearing under IC 31-25-4-33 and failed to appear or appeared and was found to be delinquent, the bureau shall promptly mail a notice to the obligor stating the following:

(1) That the obligor's driving privileges are suspended, beginning twenty (20) business days after the date the notice is mailed, and that the suspension will terminate after the bureau receives a notice from the Title IV-D agency that the obligor has:

(A) paid the obligor's child support arrearage in full; or

(B) established a payment plan with the Title IV-D agency to pay the arrearage, ~~and requested the activation of which~~ **includes** an income withholding order under IC 31-16-15-2 or **IC 31-16-15-2.5.**

(2) That the obligor may be granted a restricted driving permit under IC 9-24-15-6.7 if the obligor can prove that public transportation is unavailable for travel by the obligor:

(A) to and from the obligor's regular place of employment;

(B) in the course of the obligor's regular employment;

(C) to and from the obligor's place of worship; or

(D) to participate in parenting time with the petitioner's children consistent with a court order granting parenting time.

(b) The bureau may not reinstate a driving license or permit suspended under this section until the bureau receives a notice from the Title IV-D agency that the obligor has:

(1) paid the obligor's child support arrearage in full; or

(2) established a payment plan with the Title IV-D agency to pay the arrearage, ~~and requested the activation of which~~ **includes** an income withholding order under IC 31-16-15-2 or **IC 31-16-15-2.5.**

(c) Unless an obligor whose driving license or permit is suspended under this section has been issued a restricted driving permit under

IC 9-24-15 as a result of a suspension under this section, an obligor who operates a motor vehicle in violation of the section commits a Class A infraction.

SECTION 6. IC 14-11-3-4, AS AMENDED BY P.L.145-2006, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) Upon receiving an order from the bureau under IC 31-25-4-32(j), the director shall send to the person who is the subject of the order a notice that does the following:

(1) States that the person is delinquent and is subject to an order placing the person on probationary status.

(2) Explains that unless the person contacts the bureau and:

(A) pays the person's child support arrearage in full;

(B) ~~requests the activation of an income withholding order under IC 31-16-15-2~~ and establishes a payment plan with the bureau to pay the arrearage, **which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5;**

or

(C) requests a hearing under IC 31-25-4-33;

within twenty (20) days after the date the notice is mailed, the director shall place the person on probationary status with respect to any license issued to the person under IC 14-22-12, IC 14-22-14, IC 14-22-16, IC 14-22-17, IC 14-22-19, IC 14-24-7, or IC 14-31-3.

(3) Explains that the person may contest the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status by making written application to the bureau within twenty (20) days after the date the notice is mailed.

(4) Explains that the only basis for contesting the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status is a mistake of fact.

(5) Explains the procedures to:

(A) pay the person's child support arrearage in full;

(B) establish a payment plan with the bureau to pay the arrearage, **which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5; and**

~~(C) request the activation of an income withholding order under IC 31-16-15-2; and~~

~~(D)~~ (C) request a hearing under IC 31-25-4-33.

(6) Explains that the probation will terminate ten (10) business days after the director receives a notice from the bureau that the person has:

(A) paid the person's child support arrearage in full; or

(B) established a payment plan with the bureau to pay the arrearage, **and requested the activation of which includes an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5.**

(b) Upon receiving an order from the bureau under IC 31-25-4-34(e), the director shall send to the person who is the subject of the order a notice that states the following:

(1) That a license issued to the person under IC 14-22-12,

IC 14-22-14, IC 14-22-16, IC 14-22-17, IC 14-22-19, IC 14-24-7, or IC 14-31-3 has been placed on probationary status, beginning five (5) business days after the date the notice is mailed, and that the probation will terminate ten (10) business days after the director receives a notice from the bureau that the person has:

- (A) paid the person's child support arrearage in full; or
- (B) established a payment plan with the bureau to pay the arrearage, ~~and requested the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5.**

(2) That if the director is advised by the bureau that the person whose license has been placed on probationary status has failed to:

- (A) pay the person's child support arrearage in full; or
- (B) establish a payment plan with the bureau to pay the arrearage, ~~and request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5;**

within twenty (20) days after the date the notice is mailed, the director shall suspend the person's license.

(c) If a person whose license has been placed on probationary status fails to:

- (1) pay the person's child support arrearage in full; or
- (2) establish a payment plan with the bureau to pay the arrearage, ~~and request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5;**

within twenty (20) days after the notice required under subsection (b) is mailed, the director shall suspend the person's license.

(d) The director may not reinstate a license placed on probation or suspended under this section until the director receives a notice from the bureau that the person has:

- (1) paid the person's child support arrearage in full; or
- (2) established a payment plan with the bureau to pay the arrearage, ~~and requested the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5.**

SECTION 7. IC 25-1-1.2-8, AS AMENDED BY P.L.145-2006, SECTION 158, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 8. (a) The board shall, upon receiving an order from the bureau under IC 31-25-4-32(e), send a notice to the practitioner identified by the bureau that includes the following:

- (1) Specifies that the practitioner is delinquent and is subject to an order placing the practitioner on probationary status.
- (2) Describes the amount of child support that the practitioner is in arrears.
- (3) Explains that unless the practitioner contacts the bureau and:
 - (A) pays the practitioner's child support arrearage in full;
 - (B) ~~requests the activation of an income withholding order under IC 31-16-15-2~~ and establishes a payment plan with the bureau to pay the arrearage, **which must include an income**

- 1 **withholding order under IC 31-16-15-2 or IC 31-16-15-2.5;**
 2 or
 3 (C) requests a hearing under IC 31-25-4-33;
 4 within twenty (20) days after the date the notice is mailed, the
 5 board shall place the practitioner on probationary status.
 6 (4) Explains that the practitioner may contest the bureau's
 7 determination that the practitioner is delinquent and subject to an
 8 order placing the practitioner on probationary status by making
 9 written application to the bureau within twenty (20) days after the
 10 date the notice is mailed.
 11 (5) Explains that the only basis for contesting the bureau's
 12 determination that the practitioner is delinquent and subject to an
 13 order placing the practitioner on probationary status is a mistake
 14 of fact.
 15 (6) Explains the procedures to:
 16 (A) pay the practitioner's child support arrearage in full;
 17 (B) establish a payment plan with the bureau to pay the
 18 arrearage, **which must include an income withholding order**
 19 **under IC 31-16-15-2 or IC 31-16-15-2.5; and**
 20 ~~(C) request the activation of an income withholding order~~
 21 ~~under IC 31-16-15-2; and~~
 22 ~~(D) (C) request a hearing under IC 31-25-4-33.~~
 23 (7) Explains that the probation will terminate ten (10) business
 24 days after the board receives a notice from the bureau that the
 25 practitioner has:
 26 (A) paid the practitioner's child support arrearage in full; or
 27 (B) established a payment plan with the bureau to pay the
 28 arrearage, ~~and requested the activation of which includes an~~
 29 income withholding order under IC 31-16-15-2 **or**
 30 **IC 31-16-15-2.5.**
 31 (b) If the board is advised by the bureau that the practitioner either
 32 requested a hearing and failed to appear or appeared and was found to
 33 be delinquent, the board shall promptly mail a notice to the practitioner
 34 who is the subject of the order stating the following:
 35 (1) That the practitioner's license has been placed on probationary
 36 status, beginning five (5) business days after the date the notice
 37 is mailed, and that the probation will terminate ten (10) business
 38 days after the board receives a notice from the bureau that the
 39 person has:
 40 (A) paid the person's child support arrearage in full; or
 41 (B) established a payment plan with the bureau to pay the
 42 arrearage, ~~and requested the activation of which includes an~~
 43 income withholding order under IC 31-16-15-2 **or**
 44 **IC 31-16-15-2.5.**
 45 (2) That if the board is advised by the bureau that the practitioner
 46 whose license has been placed on probationary status has failed
 47 to:
 48 (A) pay the person's child support arrearage in full; or
 49 (B) establish a payment plan with the bureau to pay the
 50 arrearage, ~~and request the activation of which includes an~~
 51 income withholding order under IC 31-16-15-2 **or**

IC 31-16-15-2.5;

within twenty (20) days after the date the notice is mailed, the board shall suspend the practitioner's license.

(c) If the board is advised by the bureau that the practitioner whose license has been placed on probationary status has failed to:

- (1) pay the person's child support arrearage in full; or
- (2) establish a payment plan with the bureau to pay the arrearage, ~~and request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5;**

within twenty (20) days after the date the notice is mailed, the board shall suspend the practitioner's license.

(d) The board may not reinstate a license or permit placed on probation or suspended under this section until the board receives a notice from the bureau that the person has:

- (1) paid the person's child support arrearage in full; or
- (2) established a payment plan with the bureau to pay the arrearage, ~~and requested the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5.**

SECTION 8. IC 27-1-15.6-29, AS AMENDED BY P.L.145-2006, SECTION 164, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 29. (a) Upon receiving an order from the bureau (Title IV-D agency) under IC 31-25-4-32(i), the commissioner shall send to the person who is the subject of the order a notice that does the following:

(1) States that the person is delinquent and is subject to an order placing the person on probationary status.

(2) Explains that unless the person contacts the bureau and:

(A) pays the person's child support arrearage in full;

(B) ~~requests the activation of an income withholding order under IC 31-16-15-2 and~~ establishes a payment plan with the bureau to pay the arrearage, **which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5;**
or

(C) requests a hearing under IC 31-25-4-33;

within twenty (20) days after the date the notice is mailed, the commissioner shall place the person on probationary status with respect to a license issued to the person under this chapter.

(3) Explains that the person may contest the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status by making written application to the bureau within twenty (20) days after the date the notice is mailed.

(4) Explains that the only basis for contesting the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status is a mistake of fact.

(5) Explains the procedures to:

(A) pay the person's child support arrearage in full;

(B) establish a payment plan with the bureau to pay the arrearage, **which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5; and**

- 1 ~~(C)~~ request the activation of an income withholding order
 2 under IC 31-16-15-2; and
 3 ~~(D)~~ (C) request a hearing under IC 31-25-4-33.
- 4 (6) Explains that the probation will terminate ten (10) business
 5 days after the commissioner receives a notice from the bureau that
 6 the person has:
- 7 (A) paid the person's child support arrearage in full; or
 8 (B) established a payment plan with the bureau to pay the
 9 arrearage, ~~and requested the activation of which includes~~ an
 10 income withholding order under IC 31-16-15-2 **or**
 11 **IC 31-16-15-2.5.**
- 12 (b) Upon receiving an order from the bureau (Title IV-D agency)
 13 under IC 31-25-4-34(d), the commissioner shall send a notice to the
 14 person who is the subject of the order stating the following:
- 15 (1) That a license issued to the person under this chapter has been
 16 placed on probationary status, beginning five (5) business days
 17 after the date the notice was mailed, and that the probation will
 18 terminate ten (10) business days after the commissioner receives
 19 a notice from the bureau that the person has:
- 20 (A) paid the person's child support arrearage in full; or
 21 (B) established a payment plan with the bureau to pay the
 22 arrearage, ~~and requested the activation of which includes~~ an
 23 income withholding order under IC 31-16-15-2 **or**
 24 **IC 31-16-15-2.5.**
- 25 (2) That if the commissioner is advised by the bureau that the
 26 person whose license has been placed on probationary status has
 27 failed to:
- 28 (A) pay the person's child support arrearage in full; or
 29 (B) establish a payment plan with the bureau to pay the
 30 arrearage, ~~and request the activation of which includes~~ an
 31 income withholding order under IC 31-16-15-2 **or**
 32 **IC 31-16-15-2.5;**
- 33 within twenty (20) days after the date the notice is mailed, the
 34 commissioner shall suspend the person's license.
- 35 (c) If the commissioner receives a notice by the bureau (Title IV-D
 36 agency) under IC 31-25-4-32(i) that the person whose license has been
 37 placed on probationary status has failed to:
- 38 (1) pay the person's child support arrearage in full; or
 39 (2) establish a payment plan with the bureau to pay the arrearage,
 40 ~~and request the activation of which includes~~ an income
 41 withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5;**
 42 within twenty (20) days after the notice required under subsection (b)
 43 is mailed, the commissioner shall suspend the person's license.
- 44 (d) The commissioner may not reinstate any license placed on
 45 probation or suspended under this section until the commissioner
 46 receives a notice from the bureau that the person has:
- 47 (1) paid the person's child support arrearage in full; or
 48 (2) established a payment plan with the bureau to pay the
 49 arrearage, ~~and requested the activation of which includes~~ an
 50 income withholding order under IC 31-16-15-2 **or**
 51 **IC 31-16-15-2.5.**

SECTION 9. IC 27-10-3-20, AS AMENDED BY P.L.145-2006, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 20. (a) Upon receiving an order from the bureau (Title IV-D agency) under IC 31-25-4-32(i), the commissioner shall send to the person who is the subject of the order a notice that does the following:

(1) States that the person is delinquent and is subject to an order placing the person on probationary status.

(2) Explains that unless the person contacts the bureau and:

(A) pays the person's child support arrearage in full;

(B) ~~requests the activation of an income withholding order under IC 31-16-15-2~~ and establishes a payment plan with the bureau to pay the arrearage, **which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5;** or

(C) requests a hearing under IC 31-25-4-33;

within twenty (20) days after the date the notice is mailed, the commissioner shall place the person on probationary status with respect to any license issued to the person under this chapter.

(3) Explains that the person may contest the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status by making written application to the bureau within twenty (20) days after the date the notice is mailed.

(4) Explains that the only basis for contesting the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status is a mistake of fact.

(5) Explains the procedures to:

(A) pay the person's child support arrearage in full;

(B) establish a payment plan with the bureau to pay the arrearage, **which must include an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5; and**

~~(C) request the activation of an income withholding order under IC 31-16-15-2; and~~

~~(D)~~ (C) request a hearing under IC 31-25-4-33.

(6) Explains that the probation will terminate ten (10) business days after the commissioner receives a notice from the bureau that the person has:

(A) paid the person's child support arrearage in full; or

(B) established a payment plan with the bureau to pay the arrearage, ~~and requested the activation of which includes an~~ income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5.**

(b) Upon receiving an order from the bureau (Title IV-D agency) under IC 31-25-4-34(d), the commissioner shall send to the person who is the subject of the order a notice that states the following:

(1) That a license issued to the person under this chapter has been placed on probationary status, beginning five (5) business days after the date the notice is mailed, and that the probation will terminate ten (10) business days after the commissioner receives a notice from the bureau that the person has:

- 1 (A) paid the person's child support arrearage in full; or
 2 (B) established a payment plan with the bureau to pay the
 3 arrearage, ~~and requested the activation of which includes~~ an
 4 income withholding order under IC 31-16-15-2 **or**
 5 **IC 31-16-15-2.5.**
- 6 (2) That if the commissioner is advised by the bureau that the
 7 person whose license has been placed on probationary status has
 8 failed to:
- 9 (A) pay the person's child support arrearage in full; or
 10 (B) establish a payment plan with the bureau to pay the
 11 arrearage, ~~and request the activation of which includes~~ an
 12 income withholding order under IC 31-16-15-2 **or**
 13 **IC 31-16-15-2.5;**
- 14 within twenty (20) days after the date the notice is mailed, the
 15 commissioner shall suspend the person's license.
- 16 (c) If the commissioner receives a notice from the bureau (Title
 17 IV-D agency) under IC 31-25-4-32(i) that the person whose license has
 18 been placed on probationary status has failed to:
- 19 (1) pay the person's child support arrearage in full; or
 20 (2) establish a payment plan with the bureau to pay the arrearage,
 21 ~~and request the activation of which includes~~ an income
 22 withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5;**
- 23 within twenty (20) days after the notice required under subsection (b)
 24 is mailed, the commissioner shall suspend the person's license.
- 25 (d) The commissioner may not reinstate any license placed on
 26 probation or suspended under this section until the commissioner
 27 receives a notice from the bureau that the person has:
- 28 (1) paid the person's child support arrearage in full; or
 29 (2) established a payment plan with the bureau to pay the
 30 arrearage, ~~and requested the activation of which includes~~ an
 31 income withholding order under IC 31-16-15-2 **or**
 32 **IC 31-16-15-2.5.**
- 33 SECTION 10. IC 31-9-2-10.8, AS ADDED BY P.L.145-2006,
 34 SECTION 176, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2007]: Sec. 10.8. "Bureau", for purposes of
 36 **IC 31-16-15 and IC 31-25** has the meaning set forth in IC 31-25-4-1.
- 37 SECTION 11. IC 31-9-2-85 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 85. (a) "Obligee", for
 39 purposes of **IC 31-16-15 and IC 31-16-16**, means a person who is
 40 entitled to receive a payment under a support order.
- 41 (b) "Obligee" or "petitioner", for purposes of the Uniform Interstate
 42 Family Support Act under IC 31-18, has the meaning set forth in
 43 IC 31-18-1-14.
- 44 SECTION 12. IC 31-9-2-125 IS AMENDED TO READ AS
 45 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 125. (a) "Support
 46 order", for purposes of **IC 31-16-15 and IC 31-16-16**, means any
 47 judgment, decree, or order of child support, **including medical**
 48 **support**, issued by a court, in Indiana or another state, that has
 49 jurisdiction over the support order. The term includes orders issued
 50 under IC 31-14 through IC 31-17.

(b) "Support order", for purposes of the Uniform Interstate Family Support Act under IC 31-18, has the meaning set forth in IC 31-18-1-24.

SECTION 13. IC 31-9-2-130.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 130.2. "Title IV-D case", for purposes of IC 31-16-15, means a case arising under Title IV-D of the federal Social Security Act (42 U.S.C. 651 through 669).**

SECTION 14. IC 31-9-2-135, AS ADDED BY P.L.145-2006, SECTION 218, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 135. (a) "Warrant", for purposes of IC 31-25-3, IC 31-25-4, IC 31-26-2, IC 31-26-3, IC 31-28-1, IC 31-28-2, and IC 31-28-3, means an instrument that is:

- (1) the equivalent of a money payment; and
- (2) immediately convertible into cash by the payee for the full face amount of the instrument.

(b) "Warrant", for purposes of the Uniform Child Custody Jurisdiction Act under IC 31-21, has the meaning set forth in IC 31-21-2-21.

SECTION 15. IC 31-14-12-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. Upon application for enforcement of a support order, the court may:

- (1) enforce a judgment created under IC 31-16-16-2 (or IC 31-2-11-8 before its repeal) for the unpaid amount;
- (2) issue an income withholding order as provided in ~~IC 31-16-15-1~~; **IC 31-16-15-0.5**; or
- (3) ~~activate~~ **implement** an existing income withholding order as provided in ~~IC 31-16-15-5 or IC 31-16-15-6~~; **IC 31-16-15-2**.

SECTION 16. IC 31-14-12-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2.5. (a) This section does not apply to a support order entered in a Title IV-D case.

(b) A custodial parent may, under IC 31-16-12.5, seek a setoff of the state income tax refund of a child support obligor against whom a child support order was entered under IC 31-14-11.

(c) A custodial parent may not be charged a fee to seek a setoff of a state income tax refund as described in subsection (b).

SECTION 17. IC 31-14-12-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 9. Notwithstanding section 4, 5, 6, or 7 of this chapter, the court may stay issuance of an order under section 4, 5, 6, or 7 of this chapter (or IC 31-6-6.1-16(j), IC 31-6-6.1-16(k), IC 31-6-6.1-16(l), or IC 31-6-6.1-16(m) before the repeal of IC 31-6-6.1-16) if:

- (1) the person pays the child support arrearage in full; or
- (2) an income withholding order under IC 31-16-15 (or IC 31-2-10 before its repeal) is ~~activated~~ **implemented** and a payment plan to pay the arrearage is established.

SECTION 18. IC 31-16-6-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. (a) A child support order ~~may also~~ **must** include ~~where appropriate, basic health and hospitalization insurance coverage for the child:~~ **an order for medical support to be provided by either or both parents.**

(b) If, however, the Title IV-D agency initiates action to establish a support obligation and petitions the court to include basic health and hospitalization insurance coverage in the support order, the court shall include a provision addressing insurance coverage for the child:

(c) In an action initiated by the Title IV-D agency or other parties, the court may order the parent who is ordered to pay child support to provide the insurance coverage for the child if the insurance coverage:

(1) is available to the parent ordered to pay child support or the dependents of the parent as part of the parent's employee benefit plan; or

(2) is available at reasonable cost to the parent ordered to pay child support.

(b) An order for medical support under this section shall be enforced under 42 U.S.C. 666(a)(19).

SECTION 19. IC 31-16-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 1. (a) Provisions of an order with respect to child support or an order for maintenance (ordered under IC 31-16-7-1 or IC 31-1-11.5-9(c) before ~~its~~ **their** repeal) may be modified or revoked.

(b) Except as provided in section 2 of this chapter, modification may be made only:

(1) upon a showing of changed circumstances so substantial and continuing as to make the terms unreasonable; or

(2) upon a showing that:

(A) a party has been ordered to pay an amount in child support that differs by more than twenty percent (20%) from the amount that would be ordered by applying the child support guidelines; and

(B) the order requested to be modified or revoked was issued at least twelve (12) months before the petition requesting modification was filed.

(c) Modification under this section is subject to IC 31-25-4-17(a)(6).

SECTION 20. IC 31-16-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. Upon application to the court for enforcement of an order for support, the court may:

(1) enforce a judgment created under IC 31-16-16-2 (or IC 31-2-11-8 before its repeal) against the person obligated to pay support;

(2) issue an income withholding order as provided in ~~IC 31-16-15-1~~; **IC 31-16-15-0.5**; or

(3) ~~activate~~ **implement** an income withholding order as provided in ~~IC 31-16-15-5 or IC 31-16-15-6~~; **IC 31-16-15-2**.

SECTION 21. IC 31-16-12-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 11. Notwithstanding section 7, 8, 9, or 10 of this chapter, the court may stay the issuance of an order under section 7, 8, 9, or 10 of this chapter (or IC 31-1-11.5-13(j), IC 31-1-11.5-13(k), IC 31-1-11.5-13(l), or IC 31-1-11.5-13(m) before the repeal of IC 31-1-11.5-13) if:

(1) the person pays the child support arrearage in full; or

(2) an income withholding order under IC 31-16-15 (or

IC 31-2-10 before its repeal) is ~~activated~~ **implemented** and a payment plan to pay the arrearage is established.

SECTION 22. IC 31-16-12.5-9 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 9. A custodial parent may not be charged a fee to seek a setoff of a state income tax refund.**

SECTION 23. IC 31-16-15-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 0.5. (a) Except as provided in subsection (c), in any Title IV-D proceeding in which a court has ordered, modified, or enforced periodic payments of child support, the court shall order that child support payments be immediately withheld from the income of the obligor in an amount necessary to comply with the support order, including amounts for current child support obligations, child support arrearage, medical support, interest, and fees.**

(b) Except as provided in subsection (c), a court or Title IV-D agency shall implement an order for immediate income withholding under subsection (a):

(1) if the address of the obligor's income payor is known, not more than fifteen (15) calendar days after the date of the issuance of a support order; or

(2) if the address of the obligor's income payor is not known, not more than fifteen (15) calendar days after the date the address of the obligor's income payor becomes known.

(c) A court may stay implementation of an income withholding order only if one (1) or more of the following occurs:

(1) One (1) of the parties demonstrates and the court finds good cause not to order immediate income withholding by finding all of the following:

(A) A stay of implementation of the income withholding order is in the best interests of the child.

(B) The obligor has a history of substantially uninterrupted, full, and timely child support payments, other than payments made through an income withholding order or another mandatory process of previously ordered child support, during the previous twelve (12) months.

(C) The court issues a written finding that an income withholding order would cause an extraordinary hardship on the obligor.

(2) The parties submit a written agreement that:

(A) meets the requirements under subsection (d); and

(B) is approved by the court.

(d) A written agreement described in subsection (c)(2) must meet the following requirements:

(1) Contain the following:

(A) A statement that an income withholding order is not implemented immediately but that an income withholding order will be implemented if the:

(i) obligor's child support and arrearage payments become delinquent; or

- 1 (ii) obligor requests implementation of the income
- 2 withholding order.
- 3 (B) A detailed description of an alternative payment
- 4 arrangement between the parties to ensure the timely
- 5 payment of child support.
- 6 (2) Contain a provision that the obligor shall provide current
- 7 information to the court concerning the following:
- 8 (A) The name, address, and telephone number of the
- 9 obligor's place of employment.
- 10 (B) Any health coverage available to the obligor as a
- 11 benefit of employment or maintained by the obligor,
- 12 including information on the:
- 13 (i) name of the carrier (as defined in IC 27-8-10-1);
- 14 (ii) health insurance policy, certificate, or contract
- 15 number; and
- 16 (iii) if applicable, names and birth dates of the persons
- 17 for whose benefit the obligor maintains health coverage
- 18 under the health insurance policy, certificate, or
- 19 contract.
- 20 (e) If possible, the court shall specify the date on which a stay of
- 21 implementation of the income withholding order terminates
- 22 automatically.
- 23 (f) In Title IV-D cases in which periodic payments of child
- 24 support are ordered, modified, or enforced, the court shall order
- 25 the obligor to inform the Title IV-D agency of the:
- 26 (1) name and address of the obligor's current income payor;
- 27 (2) obligor's access to health insurance coverage; and
- 28 (3) if applicable, obligor's health insurance policy
- 29 information.
- 30 SECTION 24. IC 31-16-15-2 IS AMENDED TO READ AS
- 31 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 2. A court acting under
- 32 ~~section 1(d)(1) or 1(d)(2) of this chapter shall activate the immediate~~
- 33 ~~income withholding order under section 5 or 6 of this chapter shall lift~~
- 34 **a stay of implementation of an income withholding order granted**
- 35 **under section 0.5(c) of this chapter** upon occurrence of ~~either one (1)~~
- 36 **or more** of the following:
- 37 (1) The obligor's support payment becomes delinquent.
- 38 (2) The obligor requests ~~that the withholding order become~~
- 39 ~~activated.~~ **implementation of the income withholding order.**
- 40 SECTION 25. IC 31-16-15-2.5 IS ADDED TO THE INDIANA
- 41 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 42 [EFFECTIVE JULY 1, 2007]: Sec. 2.5. (a) If, in a Title IV-D case, an
- 43 income withholding order has not been issued with a support order
- 44 under section 0.5 of this chapter, a Title IV-D agency may:
- 45 (1) issue an income withholding order with the support order;
- 46 and
- 47 (2) after providing notice under section 3.5 of this chapter,
- 48 implement the income withholding order unless the court:
- 49 (A) stays the implementation of the income withholding
- 50 order under section 0.5(c) of this chapter; and
- 51 (B) provides a written finding of the stay in the support

1 order.

2 (b) In a Title IV-D case in which the implementation of an
3 income withholding order was stayed under section 0.5(c) of this
4 chapter, the Title IV-D agency may:

5 (1) after providing notice under section 3.5 of this chapter, lift
6 the stay if the obligor's child support and arrearage payments
7 are delinquent; or

8 (2) lift the stay if the obligor requests implementation of the
9 income withholding order.

10 (c) In a Title IV-D case, if:

11 (1) an income withholding order was stayed under section
12 0.5(c) of this chapter; and

13 (2) an obligor requests the implementation of the income
14 withholding order;

15 the Title IV-D agency is not required to give notice under section
16 3.5 of this chapter before implementing the income withholding
17 order.

18 (d) An income withholding order issued under subsection (a):

19 (1) has the same force and effect; and

20 (2) is enforceable in the same manner;

21 as an income withholding order issued by a court.

22 (e) The total amount required to be withheld under an income
23 withholding order implemented under this section is the sum of:

24 (1) the obligor's current child support obligation; plus

25 (2) the amount of arrearage payment ordered by the court;
26 plus

27 (3) an additional amount as determined under subsection (f)
28 for:

29 (A) any arrearage that has not been adjudicated, if no
30 arrearage has been adjudicated previously; or

31 (B) any additional arrearage that:

32 (i) has not been adjudicated; and

33 (ii) accrues since the last adjudication of arrearage by
34 the court.

35 (f) If an obligor subject to an income withholding order is in
36 arrears, unless otherwise ordered by a court, the Title IV-D agency
37 or its agent may increase the weekly amount withheld as follows:

38 (1) If the arrearages are at least five hundred dollars (\$500)
39 and less than three thousand dollars (\$3,000), an additional
40 amount of up to twenty dollars (\$20).

41 (2) If the arrearages are at least three thousand dollars
42 (\$3,000) and less than five thousand dollars (\$5,000), an
43 additional amount of up to twenty-five dollars (\$25).

44 (3) If the arrearages are at least five thousand dollars (\$5,000)
45 and less than ten thousand dollars (\$10,000), an additional
46 amount of up to thirty dollars (\$30).

47 (4) If the arrearages are at least ten thousand dollars
48 (\$10,000) and less than fifteen thousand dollars (\$15,000), an
49 additional amount of up to thirty-five dollars (\$35).

50 (5) If the arrearages are at least fifteen thousand dollars
51 (\$15,000) and less than twenty thousand dollars (\$20,000), an

1 additional amount of up to forty dollars (\$40).

2 (6) If the arrearages are at least twenty thousand dollars
3 (\$20,000) and less than twenty-five thousand dollars (\$25,000),
4 an additional amount of up to forty-five dollars (\$45).

5 (7) If the arrearages are at least twenty-five thousand dollars
6 (\$25,000), an additional amount of up to fifty dollars (\$50).

7 (g) A court is not bound by and is not required to consider the
8 additional amounts described in subsection (f) when ordering,
9 modifying, or enforcing periodic payments of child support.

10 SECTION 26. IC 31-16-15-2.6 IS ADDED TO THE INDIANA
11 CODE AS A NEW SECTION TO READ AS FOLLOWS
12 [EFFECTIVE JULY 1, 2007]: **Sec. 2.6. An income withholding order**
13 **issued under this chapter remains in effect until a child support**
14 **obligation, including current child support, child support**
15 **arrearage, medical support, interest, and fees, is paid in full.**

16 SECTION 27. IC 31-16-15-2.7 IS ADDED TO THE INDIANA
17 CODE AS A NEW SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2007]: **Sec. 2.7. (a) The bureau shall:**

19 (1) prescribe standard forms for:

20 (A) an income withholding order; and

21 (B) a notice form; and

22 (2) make the forms listed in subdivision (1) available to:

23 (A) a court;

24 (B) a private attorney;

25 (C) an obligor; and

26 (D) an obligee.

27 (b) An income withholding order under this chapter must be
28 issued in a form substantially similar to the form prescribed under
29 subsection (a)(1)(A).

30 SECTION 28. IC 31-16-15-3.5 IS ADDED TO THE INDIANA
31 CODE AS A NEW SECTION TO READ AS FOLLOWS
32 [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) Except as provided under**
33 **section 2.5(c) of this chapter, a Title IV-D agency shall issue a**
34 **notice of intent to withhold income to an obligor before the Title**
35 **IV-D agency implements an income withholding order under**
36 **section 2.5 of this chapter. The notice is sufficient for all future**
37 **income withholding until the child support obligation is fully**
38 **satisfied.**

39 (b) The notice under subsection (a) must contain the following:

40 (1) A statement that an income withholding order will be sent
41 to all current and future income payors.

42 (2) If applicable, the amount of child support that the obligor
43 is in arrears.

44 (3) A statement that the income shall be:

45 (A) withheld by a current and future income payor from
46 the obligor's income for the payment of child support; and

47 (B) forwarded to the state central collection unit with a
48 statement identifying the:

49 (i) cause number for the obligee;

50 (ii) name of the obligor;

51 (iii) name of the obligee with the applicable income

- 1 withheld for each obligee forwarded from the income
- 2 payor;
- 3 (iv) Social Security number of each obligee; and
- 4 (v) Indiana support enforcement tracking system
- 5 (ISETS) number for each obligee.
- 6 (4) A statement that the total amount of income to be withheld
- 7 by the Title IV-D agency under the income withholding order
- 8 is the sum of:
- 9 (A) the obligor's current child support obligation; plus
- 10 (B) the amount of any arrearage payment ordered by the
- 11 court; plus
- 12 (C) an additional amount as determined under section
- 13 2.5(f) of this chapter for:
- 14 (i) any arrearage that has not been adjudicated, if no
- 15 arrearage has been adjudicated previously; or
- 16 (ii) any additional arrearage that has not been
- 17 adjudicated and accrues since the last adjudication of
- 18 arrearage by the court; plus
- 19 (D) a fee of two dollars (\$2), which must be paid at the
- 20 income payor's option to the income payor each time the
- 21 income payor forwards income to the state central
- 22 collection unit.
- 23 (5) A statement that:
- 24 (A) the total amount withheld under the income
- 25 withholding order may not exceed the maximum amount
- 26 permitted under 15 U.S.C. 1673(b);
- 27 (B) the income withholding order applies to the receipt of
- 28 any current or subsequent income from a current or future
- 29 income payor;
- 30 (C) the obligor may contest the Title IV-D agency's
- 31 determination to implement an income withholding order
- 32 by making written application to the Title IV-D agency not
- 33 more than twenty (20) days after the date the notice under
- 34 this section is mailed to the obligor;
- 35 (D) the only basis for contesting the implementation of an
- 36 income withholding order is a mistake of fact;
- 37 (E) if the obligor contests the Title IV-D agency's
- 38 determination to implement the income withholding order,
- 39 the Title IV-D agency shall schedule an administrative
- 40 hearing;
- 41 (F) if the obligor does not contest the Title IV-D agency's
- 42 determination to implement an income withholding order
- 43 within the period of time required under section 4.3 of this
- 44 chapter, the Title IV-D agency shall implement the income
- 45 withholding order;
- 46 (G) an income payor shall:
- 47 (i) begin withholding income not later than the first pay
- 48 date after fourteen (14) days following the date the
- 49 income withholding order is received by the income
- 50 payor; and
- 51 (ii) report to the state central collection unit the date on

- 1 which the income was withheld from the obligor's
2 income;
- 3 (H) if an income payor is required to withhold income
4 from more than one (1) obligor, the income payor may
5 combine the withheld amount of income into a single
6 payment for all obligors who are required to make
7 payments to the state central collection unit if the income
8 payor identifies the part of the single payment that is
9 attributable to each individual obligor;
- 10 (I) if the obligor has:
- 11 (i) more than one (1) income withholding order against
12 the obligor; and
- 13 (ii) insufficient disposable earnings to pay the amount of
14 income withholding for all income withholding orders;
15 an income payor shall distribute the withheld income pro
16 rata among the persons entitled to receive income under
17 the income withholding orders, giving priority to a current
18 income withholding order;
- 19 (J) an income payor shall honor all withholdings to the
20 extent that the total amount withheld does not exceed
21 limits imposed under 15 U.S.C. 1673(b);
- 22 (K) the income withholding order is binding upon the
23 income payor until further notice by the Title IV-D
24 agency;
- 25 (L) an income payor that:
- 26 (i) discharges the obligor from employment;
- 27 (ii) refuses to employ the obligor;
- 28 (iii) takes disciplinary action against the obligor
29 employed by the income payor; or
- 30 (iv) otherwise discriminates against the obligor;
- 31 because of the existence of an income withholding order or
32 the obligations imposed upon the income payor by the
33 income withholding order is subject to a penalty not to
34 exceed five thousand dollars (\$5,000) payable to the state
35 and recoverable in a civil action;
- 36 (M) if an income payor fails to withhold income in
37 accordance with the income withholding order, the income
38 payor is liable for:
- 39 (i) the accumulated amount the income payor should
40 have withheld from the obligor's income; and
- 41 (ii) any interest, attorney's fees, and costs;
- 42 (N) an income withholding order under this chapter has
43 priority over any secured or unsecured claim on income,
44 except for claims for federal, state, and local taxes; and
- 45 (O) the income payor must notify the Title IV-D agency if
46 the obligor:
- 47 (i) ceases employment with; or
- 48 (ii) no longer receives income from;
- 49 the income payor, not later than ten (10) days after the
50 date the obligor's employment or income ceases, and
51 provide the obligor's last known address and the name and

1 address of the obligor's new income payor, if known, to the
2 Title IV-D agency.

3 (c) If the Title IV-D agency issues a notice of intent to withhold
4 income to the obligor under this section, the Title IV-D agency is
5 not required to provide further notice to continue to implement or
6 amend the income withholding order unless the income
7 withholding order is stayed by the court under section 0.5(c) of this
8 chapter.

9 SECTION 29. IC 31-16-15-4.3 IS ADDED TO THE INDIANA
10 CODE AS A NEW SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2007]: Sec. 4.3. (a) An obligor may contest a
12 Title IV-D agency's determination to implement an income
13 withholding order under section 2.5 of this chapter by making a
14 written application to the Title IV-D agency not more than twenty
15 (20) days after the date the notice is mailed to the obligor.

16 (b) The only basis on which an obligor may contest the
17 implementation of an income withholding order under section 2.5
18 of this chapter is mistake of fact.

19 (c) If an obligor does not contest the implementation of an
20 income withholding order within the period described in subsection
21 (a), the Title IV-D agency shall send the income withholding order
22 to the income payor not more than fifteen (15) calendar days after:

- 23 (1) the last date that the obligor has to contest the
- 24 implementation of an income withholding order under
- 25 subsection (a); or
- 26 (2) if the income payor's address is not known on the date
- 27 described under subdivision (1), the date the Title IV-D
- 28 agency obtains the income payor's address.

29 (d) A Title IV-D agency shall:

- 30 (1) not more than twenty-five (25) days after an obligor makes
- 31 written application to contest an income withholding order
- 32 under subsection (a), hold a hearing to review the Title IV-D
- 33 agency's determination to implement the income withholding
- 34 order; and
- 35 (2) make a determination on the implementation of the
- 36 income withholding order at the hearing.

37 (e) If the Title IV-D agency implements an income withholding
38 order after a hearing under this section, the Title IV-D agency shall
39 provide the income withholding order to each income payor as
40 provided under section 6.5 of this chapter.

41 SECTION 30. IC 31-16-15-4.5, AS AMENDED BY P.L.145-2006,
42 SECTION 239, IS AMENDED TO READ AS FOLLOWS
43 [EFFECTIVE JULY 1, 2007]: Sec. 4.5. (a) The ~~child support~~ bureau
44 ~~of the department~~ shall send notice to an employer, using the National
45 Medical Support Notice described in 45 CFR 303.3, that:

- 46 (1) a parent ordered to pay support has been ordered to provide
- 47 insurance coverage as part of the parent's employee benefit plan
- 48 under IC 31-16-6-4; or
- 49 (2) an obligation to provide insurance coverage under subdivision
- 50 (1) is no longer in effect.

51 (b) Upon receipt of the notice under subsection (a), the employer

1 shall:

- 2 (1) respond to the notice in a timely fashion; and
 3 (2) abide by the terms of establishing insurance coverage as
 4 required by the notice.

5 SECTION 31. IC 31-16-15-5.5 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2007]: Sec. 5.5. (a) An obligor or an obligee
 8 may file a petition to lift a stay of implementation of an income
 9 withholding order.

10 (b) If an obligee files a petition under subsection (a), the court
 11 shall:

- 12 (1) set a date for a hearing on the petition; and
 13 (2) send a written notice of the hearing to lift the stay of
 14 implementation of the income withholding order to the
 15 obligor in accordance with subsection (c).

16 The court must set a date for the hearing that is not more than
 17 twenty (20) days after the date the petition is filed.

18 (c) The notice under subsection (b)(2) must include the
 19 following:

- 20 (1) A statement as to whether the obligor is delinquent in the
 21 payment of child support.
 22 (2) If applicable, the amount of child support the obligor is in
 23 arrears.
 24 (3) A statement that if the petition is granted, the obligor's
 25 income shall be:

26 (A) withheld by the court for the payment of child support;
 27 and

28 (B) forwarded to the state central collection unit with a
 29 statement identifying:

- 30 (i) the cause number for each obligee;
 31 (ii) the name of each obligor;
 32 (iii) the name of each obligee with the amount of the
 33 withheld income forwarded by the income payor;
 34 (iv) the Social Security number of each obligor; and
 35 (v) the Indiana support enforcement tracking system
 36 (SETS) number for each obligee.

37 (4) The following statements:

38 (A) That the total amount of income to be withheld under
 39 an income withholding order from the obligor's income is
 40 the sum of:

- 41 (i) the obligor's current child support obligation; plus
 42 (ii) the amount of arrearage payment ordered by the
 43 court; plus
 44 (iii) a fee of two dollars (\$2), which must be paid at the
 45 income payor's option to the income payor each time the
 46 income payor forwards income to the state central
 47 collection unit.

48 (B) That the total amount of income withheld may not
 49 exceed the maximum amount permitted by 15 U.S.C.
 50 1673(b).

51 (C) That the income withholding order applies to the

receipt of any current or subsequent income.

(D) That the only basis for contesting the petition to lift the stay of implementation of the income withholding order is a mistake of fact.

(E) That an obligor may contest the court's lifting the stay of the income withholding order by appearing at the hearing scheduled by the court on the petition to lift the stay.

(F) That if the obligor does not appear at the hearing, the court shall implement the income withholding order.

(G) That an income payor shall:

(i) begin withholding income not later than the first pay date after fourteen (14) days following the date the income withholding order is received by the income payor; and

(ii) report to the state central collection unit the date on which the income was withheld from the obligor's income.

(H) That if an income payor is required to withhold income from more than one (1) obligor, the income payor may combine the withheld amount of income into a single payment for all obligors who are required to make payments to the state central collection unit if the income payor identifies the part of the single payment that is attributable to each individual obligor.

(I) That if an obligor has:

(i) more than one (1) income withholding order against the obligor; and

(ii) insufficient disposable earnings to pay the amount of income withholding for all income withholding orders; the income payor shall distribute the withheld income pro rata among the persons entitled to receive income under the income withholding orders, giving priority to a current income withholding order.

(J) That an income payor shall honor all withholding to the extent that the total amount withheld does not exceed limits imposed under 15 U.S.C. 1673(b).

(K) That the income withholding is binding upon the income payor until further notice by the court.

(L) That an income payor that:

(i) discharges the obligor from employment;

(ii) refuses to employ the obligor;

(iii) takes disciplinary action against the obligor employed by the income payor; or

(iv) otherwise discriminates against the obligor;

because of the existence of an income withholding order or the obligations imposed upon the income payor by the income withholding order, is subject to a penalty not to exceed five thousand dollars (\$5,000) payable to the state and recoverable in a civil action.

(M) That if the income payor fails to withhold income in

accordance with the income withholding order, the income payor is liable for:

- (i) the accumulated amount the income payor should have withheld from the obligor's income; and
- (ii) any interest, attorney's fees, and costs.

(N) That an income withholding order under this chapter has priority over any secured or unsecured claim on income, except for claims for federal, state, and local taxes.

(O) That the income payor must notify the court if the obligor:

- (i) ceases employment with; or
- (ii) no longer receives income from;

the income payor not later than ten (10) days after the date the obligor's employment or income ceases and provide the obligor's last known address and the name and address of the obligor's new income payor, if known, to the court.

(d) At a hearing under this section, the court shall grant the petition to lift the stay of implementation of the income withholding order if the obligor has failed to comply with the provisions of the support order, unless the court finds that the conditions under section 0.5(c)(2) of this chapter have been met.

(e) If the obligor files a petition to lift the stay of implementation of the income withholding order:

- (1) a hearing is not required; and
- (2) the court shall grant the petition.

(f) If the court grants the petition to lift the stay of implementation of the income withholding order, the court shall:

- (1) implement the income withholding order; and
- (2) send the income withholding order to the obligor's income payor.

SECTION 32. IC 31-16-15-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 6.5. A court or Title IV-D agency may serve an income withholding order on an income payor by:**

- (1) first class mail;
- (2) facsimile transmission; or
- (3) other electronic means approved by the Title IV-D agency.

SECTION 33. IC 31-16-15-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 7.5. (a) An income payor that is required to withhold income under this chapter shall:**

- (1) forward income withheld for the payment of current or past due child support as directed by an income withholding order to the state central collection unit at the time that an obligor is paid;
- (2) include a statement that identifies the:
 - (A) cause number for each obligee;
 - (B) Indiana support enforcement tracking system (ISETS) case number for each obligee;
 - (C) name of each obligor and the obligor's Social Security number; and

(D) name of each obligee with the amount of the withheld income forwarded by the income payor; and

(3) begin withholding income not later than the first pay date after fourteen (14) days following the date the order for income withholding is received by the income payor.

(b) An income payor may retain, in addition to the amount of income forwarded to the state central collection unit, a fee of not more than two dollars (\$2) each time the income payor forwards income to the state central collection unit. If an income payor retains a fee under this subsection, the income payor shall reduce the amount of income withheld for the payment of current and past due child support, if necessary to avoid exceeding the maximum amount permitted to be withheld under 15 U.S.C. 1673(b).

SECTION 34. IC 31-16-15-16, AS AMENDED BY P.L.148-2006, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 16. (a) Except as provided in subsection (b), if the income payor is required to withhold income from more than one (1) obligor under this chapter, the income payor may

(1) combine in a single payment the withheld amounts for all obligors who have been ordered to pay to the state central collection unit established by ~~IC 31-33-1.5-8~~ and **IC 31-25-3-1** (2) if the income payor separately identifies the part of the single payment that is attributable to each individual obligor.

(b) If the income payor:

(1) is required to withhold income from more than one (1) obligor under this chapter; and

(2) employs more than fifty (50) employees;

the income payor shall make payments to the state central collection unit established by ~~IC 31-33-1.5-8~~ **IC 31-25-3-1** through electronic funds transfer or through electronic or Internet access made available by the state central collection unit.

(c) The department of child services shall assess a civil penalty of twenty-five dollars (\$25) per obligor per pay period against an income payor that:

(1) is required to make a payment under subsection (b); and

(2) does not make the payment through electronic funds transfer or other means described in subsection (b).

The department shall deposit the penalties into the state general fund.

SECTION 35. IC 31-16-15-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 17. If:

(1) there is more than one (1) order for withholding against a single obligor under this chapter; and

(2) the obligor has insufficient disposable earnings to pay the amount required by all the orders;

the income payor shall distribute the withheld earnings pro rata among the ~~entities~~ **persons** entitled to receive earnings under the orders and shall honor all withholdings to the extent that the total amount withheld does not exceed the limits imposed under 15 U.S.C. 1673(b).

SECTION 36. IC 31-16-15-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 18. The income payor shall:

(1) notify:

(A) the Title IV-D agency in a case arising under section ~~3 or 5~~ **2.5** of this chapter; or

(B) the court in a case arising under section ~~4 or 6~~ **0.5, 2, or 5.5** of this chapter;

when the obligor ceases to receive income not later than ten (10) days after the employment or income ceases; and

(2) provide:

(A) the obligor's last known address; and

(B) the name and address of the obligor's new income payor if known.

SECTION 37. IC 31-16-15-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 19. (a) If an obligor:

(1) is entitled to net income in the form of:

(A) severance pay;

(B) accumulated sick pay;

(C) vacation pay;

(D) accumulated commissions;

(E) a bonus payment **in addition to regular earned income;**

or

(F) other lump sum payment; and

(2) owes an amount of child support that is in arrears;

the income payor shall withhold the amount in arrears or the product computed under subsection (b), whichever is less, up to the maximum permitted under 15 U.S.C. 1673(b).

(b) The income payor shall multiply:

(1) the amount of support the obligor is required to pay each week; by

(2) the number of weeks represented by the lump sum payment.

SECTION 38. IC 31-16-15-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 22. (a) An income withholding order under section ~~4~~ **0.5 or 2.5** of this chapter (or IC 31-2-10-7 before its repeal) terminates when both of the following occur:

(1) The duty to support a child ceases under IC 31-14 or IC 31-16-2 through IC 31-16-12.

(2) No child support arrearage exists.

(b) ~~Activation of income withholding terminates~~ **A court or Title IV-D agency may terminate income withholding** when the whereabouts of the child and the child's custodial parent are unknown, preventing the forwarding of child support payments.

SECTION 39. IC 31-16-15-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 23. **(a) If an income payor fails to forward the money required by an income withholding order, as set forth in the notice described in section 10 of this chapter, the Title IV-D agency shall send the income payor, by certified mail, a notice of failure to comply. If the income payor fails to forward the money required by an income withholding order within thirty (30) days after receipt of the notice of failure to comply, the income payor is liable for the amount the income payor fails to forward.**

(b) An income payor described in subsection (a) is liable to the:

(1) obligee for the amount of income not paid in compliance with the income withholding order, including an amount the obligor is required to pay for health insurance coverage; and

(2) obligor for:

(A) the amount of income withheld and not paid as required under the income withholding order;

(B) an amount equal to the interest that accrues according to the interest percentage that accrues on judgments; and

(C) reasonable attorney's fees and court costs.

(c) An income payor that:

(1) receives an income withholding order from a court or Title IV-D agency; and

(2) fails to comply with the income withholding order;

may be liable for contempt of court.

(d) If an obligor has filed a claim for worker's compensation, the income payor of the obligor shall send a copy of the income withholding order to the income payor's insurance carrier if the income payor has an insurance carrier with whom the claim has been filed in order to continue the ordered withholding of income.

SECTION 40. IC 31-16-15-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 25. ~~(a) If an obligor is:~~

~~(1) discharged from employment;~~

~~(2) refused employment; or~~

~~(3) disciplined;~~

because the income payor is required to withhold income of the obligor under this chapter, the obligor is entitled to recover an amount of not less than one hundred dollars (\$100):

(b) The obligor may collect the money described in subsection (a) by filing a civil action against the income payor in a circuit or superior court.

(a) An income payor that:

(1) discharges from employment an obligor;

(2) refuses to employ an obligor;

(3) takes disciplinary action against an obligor employed by the income payor; or

(4) otherwise discriminates against an obligor;

because of the existence of an income withholding order or the obligations imposed upon the income payor by the income withholding order, is subject to a penalty not to exceed five thousand dollars (\$5,000) payable to the state and recoverable in a civil action. An obligor or the Title IV-D agency may bring an action to enforce a penalty under this subsection.

~~(c)~~ (b) The collection of money under this section does not affect:

(1) the obligor's right to damages under IC 24-4.5-5-202; or

(2) any other legal remedy available to the obligor;

because of discharge from employment, refusal of employment, or disciplinary action.

SECTION 41. IC 31-16-15-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 26. ~~(a)~~ If the Title IV-D agency or the court becomes aware that the obligor has a new income

payor after income withholding has been ~~activated under section 5 or 6 of this chapter; implemented:~~

(1) ~~if the order is an income withholding order implemented under section 2.5 of this chapter, the Title IV-D agency; in a case arising under section 5 of this chapter; or~~

(2) ~~if the order is an income withholding order implemented under section 0.5 of this chapter or an income withholding order implemented after a stay has been lifted under section 5.5 of this chapter, the court in a case arising under section 6 of this chapter; or the Title IV-D agency;~~

shall send ~~a notice~~ **the income withholding order** to the new income payor. ~~that the withholding is binding on the new income payor.~~

~~(b) The notice sent under subsection (a) must comply with section 10 of this chapter.~~

SECTION 42. IC 31-16-15-29 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 29. (a) The registration of a foreign support order as provided in IC 31-18-6 is sufficient for the implementation of an income withholding order by the Title IV-D agency.**

(b) The Title IV-D agency shall issue a notice in accordance with section 3.5 of this chapter of the implementation of a foreign support order to the obligor.

SECTION 43. IC 31-16-15-30 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 30. A Title IV-D agency or an agent of a Title IV-D agency acting within the scope of the agent's employment is not subject to any civil liability for income withheld and paid to an obligee, the Title IV-D agency, or the state central collection unit in accordance with an income withholding order.**

SECTION 44. IC 31-25-3-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 3. The bureau established by section 1 of this chapter or an agent of the bureau may issue a subpoena under Indiana Trial Rule 45 to obtain any financial or other information needed to establish, modify, or enforce a child support order.**

SECTION 45. IC 31-25-4-17, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: **Sec. 17. (a) The bureau shall do the following:**

(1) Collect support payments when the payments have been assigned to the state by the application for assistance under Title IV-A.

(2) Assist in obtaining a support order, including an order for health insurance coverage under:

(A) IC 27-8-23;

(B) IC 31-14-11-3; or

(C) IC 31-16-6-4;

when there is no existing order and assistance is sought.

(3) Assist mothers of children born out of wedlock in establishing paternity and obtaining a support order, including an order for

health insurance coverage under IC 27-8-23, when the mother has applied for assistance.

(4) Implement income withholding in any Title IV-D case:

(A) with an arrearage; and

(B) without an order issued by a court or an administrative agency.

(5) Enforce intrastate and interstate support orders using high volume automated enforcement features.

(6) Use a simplified procedure for the review and adjustment of support orders as set forth in 42 U.S.C. 666(a)(10).

(b) Whenever the bureau collects support payments on behalf of an individual who is no longer a member of a household that receives Title IV-A cash payments, the collected support payments (except collections made through a federal tax refund offset) shall be promptly distributed in the following order:

(1) Payment to the recipient of the court ordered support obligation for the month that the support payment is received.

(2) Payment to the recipient of the support payment arrearages that have accrued during any period when the recipient was not a member of a household receiving Title IV-A assistance.

(3) Payment to the state in an amount not to exceed the lesser of:

(A) the total amount of past public assistance paid to the recipient's family; or

(B) the amount assigned to the state by the recipient under IC 12-14-7-1.

(4) Payment of support payment arrearages owed to the recipient.

(5) Payment of any other support payments payable to the recipient.

(c) Whenever the bureau receives a payment through a federal tax refund offset on behalf of an individual who has received or is receiving Title IV-A assistance, the child support payment shall be distributed as follows:

(1) To the state, an amount not to exceed the lesser of:

(A) the total amount of past public assistance paid to the individual's family; or

(B) the amount assigned to the state by the individual under IC 12-14-7-1.

(2) To the individual, any amounts remaining after the distribution under subdivision (1).

(d) **Except as provided in section 19.5 of this chapter**, whenever the bureau collects a child support payment from any source on behalf of an individual who has never received Title IV-A assistance, the bureau shall forward all money collected to the individual.

(e) Whenever the bureau receives a child support payment on behalf of an individual who currently receives a Title IV-A cash payment or an individual whose cash payment was recouped, the child support payment shall be distributed as follows:

(1) To the state, an amount not to exceed the lesser of:

(A) the total amount of past public assistance paid to the individual's family; or

(B) the amount assigned to the state by the individual under

1 IC 12-14-7-1.

2 (2) To the individual, any amounts remaining after the
3 distribution under subdivision (1).

4 (f) Unless otherwise required by federal law, not more than
5 seventy-five (75) days after a written request by a recipient, the bureau
6 shall provide an accounting report to the recipient that identifies the
7 bureau's claim to a child support payment or arrearage.

8 **(g) The bureau, the department of child services, and the**
9 **department of state revenue may not charge a custodial parent a**
10 **fee to seek or receive a payment through a federal tax refund offset**
11 **as described in subsection (c).**

12 SECTION 46. IC 31-25-4-19.5 IS ADDED TO THE INDIANA
13 CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2007]: **Sec. 19.5. (a) If a Title IV-D agency**
15 **collects at least five hundred dollars (\$500) of child support**
16 **payments on behalf of an individual who has never received Title**
17 **IV-A assistance, the Title IV-D agency shall collect a fee in**
18 **accordance with 42 U.S.C. 654(6). The Title IV-D agency may**
19 **collect the fee by issuance and implementation of an income**
20 **withholding order.**

21 **(b) The Title IV-D agency shall collect the fee described in**
22 **subsection (a) from one (1) of the following:**

23 **(1) Any amount of child support payments that exceeds five**
24 **hundred dollars (\$500) collected on behalf of the individual**
25 **who applied for the services of collecting the child support**
26 **payments.**

27 **(2) The parent who owes the child support obligation being**
28 **enforced by the Title IV-D agency.**

29 **(3) State funds appropriated for the purpose of paying a fee**
30 **under subsection (a).**

31 SECTION 47. IC 31-25-4-31, AS ADDED BY P.L.145-2006,
32 SECTION 271, IS AMENDED TO READ AS FOLLOWS
33 [EFFECTIVE JULY 1, 2007]: **Sec. 31. (a) The bureau shall operate a**
34 **data match system with each financial institution doing business in**
35 **Indiana.**

36 **(b) Each financial institution doing business in Indiana shall provide**
37 **information to the bureau on all noncustodial parents who:**

38 **(1) hold one (1) or more accounts with the financial institution;**
39 **and**

40 **(2) are delinquent.**

41 **(c) In order to provide the information required under subsection**
42 **(b), a financial institution shall either:**

43 **(1) identify noncustodial parents by comparing records**
44 **maintained by the financial institution with records provided by**
45 **the bureau by:**

46 **(A) name; and**

47 **(B) either Social Security number or tax identification number;**
48 **or**

49 **(2) submit to the bureau a report, in a form satisfactory to the**
50 **bureau, that includes the Social Security number or tax**
51 **identification number of each individual maintaining an account**

- 1 at the financial institution.
- 2 (d) The information required under subsection (b) must:
- 3 (1) be provided on a quarterly basis; and
- 4 (2) include the:
- 5 (A) name;
- 6 (B) address of record; and
- 7 (C) either the Social Security number or tax identification
- 8 number;
- 9 of an individual identified under subsection (b).
- 10 (e) When the bureau has determined that the information required
- 11 under subsection (d)(2) is identical for an individual who holds an
- 12 account with a financial institution and an individual whose name
- 13 appears on the quarterly list prepared by the bureau under section 30
- 14 of this chapter, the bureau shall provide a notice of the match if action
- 15 is to be initiated to block or encumber the account by establishing a
- 16 lien for child support payment to the:
- 17 (1) individual; and
- 18 (2) financial institution holding the account.
- 19 (f) The notice under section (e) must inform the individual that:
- 20 (1) the individual's account in a financial institution is subject to
- 21 a child support lien; and
- 22 (2) the individual may file an appeal with the bureau within
- 23 twenty (20) days after the date the notice was issued.
- 24 (g) The bureau shall hold a hearing under 470 IAC 1-4. The
- 25 department's final action following a hearing held under this
- 26 ~~subdivision~~ **subsection** is subject to judicial review as provided in 470
- 27 IAC 1-4.
- 28 (h) The state's lien on assets under this section is subordinate to any
- 29 prior lien perfected by:
- 30 (1) a financial institution; or
- 31 (2) another legitimate lien holder.
- 32 (i) A lien issued under this section remains in effect until the earliest
- 33 of:
- 34 (1) one hundred twenty (120) days after issuance;
- 35 (2) the date the asset on which the lien is issued is surrendered; or
- 36 (3) the date the lien is released by an action of the bureau.
- 37 (j) This section does not preclude a financial institution from
- 38 exercising its right to:
- 39 (1) charge back or recoup a deposit to an account; or
- 40 (2) set off from an account held by the financial institution in
- 41 which the noncustodial parent has an interest in any debts owed
- 42 to the financial institution that existed before:
- 43 (A) the state's lien; and
- 44 (B) notification to the financial institution of the child support
- 45 delinquency.
- 46 (k) A financial institution ordered to block or encumber an account
- 47 under this section is entitled to collect its normally scheduled account
- 48 activity fees to maintain the account during the period the account is
- 49 blocked or encumbered.
- 50 (l) All information provided by a financial institution under this
- 51 section is confidential and is available only to the bureau or its agents

for use only in child support enforcement activities.

(m) A financial institution providing information required under this section is not liable for:

- (1) disclosing the required information to the bureau;
- (2) blocking or surrendering any of an individual's assets in response to a lien imposed by:
 - (A) the bureau under this section; or
 - (B) a person or entity acting on behalf of the bureau; or
- (3) any other action taken in good faith to comply with this section.

(n) The department shall pay a financial institution performing the data match required by this section a reasonable fee for providing the service that does not exceed the actual cost incurred by the financial institution.

(o) This section does not prevent the bureau or its agents from encumbering an obligor's account with a financial institution by any other remedy available for the enforcement of a child support order.

SECTION 48. IC 31-25-4-32, AS ADDED BY P.L.145-2006, SECTION 271, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 32. (a) When the Title IV-D agency finds that an obligor is delinquent and can demonstrate that all previous enforcement actions have been unsuccessful, the Title IV-D agency shall send, to a verified address, a notice to the obligor that does the following:

- (1) Specifies that the obligor is delinquent.
- (2) Describes the amount of child support that the obligor is in arrears.
- (3) States that unless the obligor:
 - (A) pays the obligor's child support arrearage in full;
 - (B) ~~requests the activation of an income withholding order under IC 31-16-15-2~~ and establishes a payment plan with the Title IV-D agency to pay the arrearage, **which includes an income withholding order;** or
 - (C) requests a hearing under section 33 of this chapter; within twenty (20) days after the date the notice is mailed, the Title IV-D agency shall issue an order to the bureau of motor vehicles stating that the obligor is delinquent and that the obligor's driving privileges shall be suspended.
- (4) Explains that the obligor has twenty (20) days after the notice is mailed to do one (1) of the following:
 - (A) Pay the obligor's child support arrearage in full.
 - (B) ~~Request the activation of an income withholding order under IC 31-16-15-2~~ and Establish a payment plan with the Title IV-D agency to pay the arrearage, **which includes an income withholding order under IC 31-16-15-2 or IC 31-16-15-2.5.**
 - (C) Request a hearing under section 33 of this chapter.
- (5) Explains that if the obligor has not satisfied any of the requirements of subdivision (4) within twenty (20) days after the notice is mailed, that the Title IV-D agency shall issue a notice to:
 - (A) the board or department that regulates the obligor's

- 1 profession or occupation, if any, that the obligor is delinquent
 2 and that the obligor may be subject to sanctions under
 3 IC 25-1-1.2, including suspension or revocation of the
 4 obligor's professional or occupational license;
 5 (B) the supreme court disciplinary commission if the obligor
 6 is licensed to practice law;
 7 (C) the department of education established by IC 20-19-3-1
 8 if the obligor is a licensed teacher;
 9 (D) the Indiana horse racing commission if the obligor holds
 10 or applies for a license issued under IC 4-31-6;
 11 (E) the Indiana gaming commission if the obligor holds or
 12 applies for a license issued under IC 4-33;
 13 (F) the commissioner of the department of insurance if the
 14 obligor holds or is an applicant for a license issued under
 15 IC 27-1-15.6, IC 27-1-15.8, or IC 27-10-3; or
 16 (G) the director of the department of natural resources if the
 17 obligor holds or is an applicant for a license issued by the
 18 department of natural resources under the following:
 19 (i) IC 14-22-12 (fishing, hunting, and trapping licenses).
 20 (ii) IC 14-22-14 (Lake Michigan commercial fishing
 21 license).
 22 (iii) IC 14-22-16 (bait dealer's license).
 23 (iv) IC 14-22-17 (mussel license).
 24 (v) IC 14-22-19 (fur buyer's license).
 25 (vi) IC 14-24-7 (nursery dealer's license).
 26 (vii) IC 14-31-3 (ginseng dealer's license).
 27 (6) Explains that the only basis for contesting the issuance of an
 28 order under subdivision (3) or (5) is a mistake of fact.
 29 (7) Explains that an obligor may contest the Title IV-D agency's
 30 determination to issue an order under subdivision (3) or (5) by
 31 making written application to the Title IV-D agency within twenty
 32 (20) days after the date the notice is mailed.
 33 (8) Explains the procedures to:
 34 (A) pay the obligor's child support arrearage in full; **and**
 35 (B) establish a payment plan with the Title IV-D agency to pay
 36 the arrearage, ~~and~~ **which must include an income**
 37 **withholding order under IC 31-16-15-2 or IC 31-16-15-2.5.**
 38 ~~(C) request the activation of an income withholding order~~
 39 ~~under IC 31-16-15-2.~~
 40 (b) Whenever the Title IV-D agency finds that an obligor is
 41 delinquent and has failed to:
 42 (1) pay the obligor's child support arrearage in full;
 43 (2) establish a payment plan with the Title IV-D agency to pay the
 44 arrearage, ~~and request the activation of which includes~~ an income
 45 withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5**; or
 46 (3) request a hearing under section 33 of this chapter within
 47 twenty (20) days after the date the notice described in subsection
 48 (a) is mailed;
 49 the Title IV-D agency shall issue an order to the bureau of motor
 50 vehicles stating that the obligor is delinquent.
 51 (c) An order issued under subsection (b) must require the following:

(1) If the obligor who is the subject of the order holds a driving license or permit on the date the order is issued, that the driving privileges of the obligor be suspended until further order of the Title IV-D agency.

(2) If the obligor who is the subject of the order does not hold a driving license or permit on the date the order is issued, that the bureau of motor vehicles may not issue a driving license or permit to the obligor until the bureau of motor vehicles receives a further order from the Title IV-D agency.

(d) The Title IV-D agency shall provide the:

- (1) full name;
- (2) date of birth;
- (3) verified address; and
- (4) Social Security number or driving license number;

of the obligor to the bureau of motor vehicles.

(e) Whenever the Title IV-D agency finds that an obligor who is an applicant (as defined in IC 25-1-1.2-1) or a practitioner (as defined in IC 25-1-1.2-6) is delinquent and the applicant or practitioner has failed to:

- (1) pay the obligor's child support arrearage in full;
- (2) establish a payment plan with the Title IV-D agency to pay the arrearage, ~~or request the activation of which includes~~ an income withholding order under ~~IC 31-16-15~~; **IC 31-16-15-2 or IC 31-16-15-2.5**; or
- (3) request a hearing under section 33 of this chapter;

the Title IV-D agency shall issue an order to the board regulating the practice of the obligor's profession or occupation stating that the obligor is delinquent.

(f) An order issued under subsection (e) must direct the board or department regulating the obligor's profession or occupation to impose the appropriate sanctions described under IC 25-1-1.2.

(g) Whenever the Title IV-D agency finds that an obligor who is an attorney or a licensed teacher is delinquent and the attorney or licensed teacher has failed to:

- (1) pay the obligor's child support arrearage in full;
- (2) establish a payment plan with the Title IV-D agency to pay the arrearage, ~~or request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5**; or
- (3) request a hearing under section 33 of this chapter;

the Title IV-D agency shall notify the supreme court disciplinary commission if the obligor is an attorney, or the department of education if the obligor is a licensed teacher, that the obligor is delinquent.

(h) Whenever the Title IV-D agency finds that an obligor who holds a license issued under IC 4-31-6 or IC 4-33 has failed to:

- (1) pay the obligor's child support arrearage in full;
- (2) establish a payment plan with the Title IV-D agency to pay the arrearage, ~~and request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5**; or
- (3) request a hearing under section 33 of this chapter;

the Title IV-D agency shall issue an order to the Indiana horse racing commission if the obligor holds a license issued under IC 4-31-6, or to

the Indiana gaming commission if the obligor holds a license issued under IC 4-33, stating that the obligor is delinquent and directing the commission to impose the appropriate sanctions described in IC 4-31-6-11 or IC 4-33-8.5-3.

(i) Whenever the Title IV-D agency finds that an obligor who holds a license issued under IC 27-1-15.6, IC 27-1-15.8, or IC 27-10-3 has failed to:

- (1) pay the obligor's child support arrearage in full;
- (2) establish a payment plan with the Title IV-D agency to pay the arrearage, ~~and request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5**; or
- (3) request a hearing under section 33 of this chapter;

the Title IV-D agency shall issue an order to the commissioner of the department of insurance stating that the obligor is delinquent and directing the commissioner to impose the appropriate sanctions described in IC 27-1-15.6-29 or IC 27-10-3-20.

(j) Whenever the Title IV-D agency finds that an obligor who holds a license issued by the department of natural resources under IC 14-22-12, IC 14-22-14, IC 14-22-16, IC 14-22-17, IC 14-22-19, IC 14-24-7, or IC 14-31-3 has failed to:

- (1) pay the obligor's child support arrearage in full;
- (2) establish a payment plan with the Title IV-D agency to pay the arrearage, ~~and request the activation of which includes~~ an income withholding order under IC 31-16-15-2 **or IC 31-16-15-2.5**; or
- (3) request a hearing under section 33 of this chapter;

the Title IV-D agency shall issue an order to the director of the department of natural resources stating that the obligor is delinquent and directing the director to suspend or revoke a license issued to the obligor by the department of natural resources as provided in IC 14-11-3.

SECTION 49. IC 33-37-5-6, AS AMENDED BY P.L.148-2006, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) This section applies to an action in which a final court order requires a person to pay support or maintenance payments through the clerk or the state central collection unit.

(b) The clerk or the state central collection unit shall collect a fee in addition to support and maintenance payments. The fee is ~~thirty dollars (\$30)~~ **fifty-five dollars (\$55)** for each calendar year.

(c) The fee required under subsection (b) is due at the time that the first support or maintenance payment for the calendar year in which the fee must be paid is due.

(d) The clerk may not deduct the fee from a support or maintenance payment.

(e) Except as provided under IC 33-32-4-6 and IC 33-37-7-2(g), if a fee is collected under this section by the clerk, the clerk shall forward the fee to the county auditor in accordance with IC 33-37-7-12(a). If a fee is collected under this section by the central collection unit, the fee shall be deposited in the state general fund.

(f) Income payors required to withhold income under IC 31-16-15 shall pay the annual fee required by subsection (b) through the income

1 withholding procedures described in ~~IC 31-16-15-1~~. **IC 31-16-15.**
 2 SECTION 50. IC 34-30-2-133.2 IS ADDED TO THE INDIANA
 3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2007]: **Sec. 133.2. IC 31-16-15-30**
 5 **(Concerning a Title IV-D agency or an agent of a Title IV-D agency**
 6 **for withholding income paid to an obligee, the Title IV-D agency,**
 7 **or the state central collection unit in accordance with an income**
 8 **withholding order).**
 9 SECTION 51. THE FOLLOWING ARE REPEALED [EFFECTIVE
 10 JULY 1, 2007]: IC 31-16-15-1; IC 31-16-15-3; IC 31-16-15-4;
 11 IC 31-16-15-5; IC 31-16-15-6; IC 31-16-15-7; IC 31-16-15-8;
 12 IC 31-16-15-9; IC 31-16-15-10; IC 31-16-15-11; IC 31-16-15-12;
 13 IC 31-16-15-13; IC 31-16-15-14; IC 31-16-15-15; IC 31-16-15-21;
 14 IC 31-16-15-24.

(Reference is to ESB 329 as reprinted April 10, 2007.)

Conference Committee Report
on
Engrossed Senate Bill 329

Signed by:

Senator Lawson C
Chairperson

Representative Welch

Senator Simpson

Representative Bell

Senate Conferees

House Conferees